



County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

May 20, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 1 TO
AGREEMENT #67326 FOR FUNDING, OPERATION, AND MANAGEMENT OF THE
LOS ANGELES COUNTY MUSEUM OF ART
(SUPERVISORIAL DISTRICT 3)
(3 VOTES)**

SUBJECT

The Museum Associates requests that the 1994 funding agreement be amended to reflect growth in facilities and programs at the Los Angeles County Museum of Art (LACMA).

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair to sign the attached Amendment No. 1 (Amendment) with the Museum Associates, to increase the base amount of the County's funding obligation by \$2 million annually for the next three years for a total increase of \$6 million. The increase will allow the County and the Museum Associates to continue the successful operation of the Los Angeles County Museum of Art.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION

Under the current agreement, approved in 1994, the Museum Associates and the County agreed to formalize their mutual funding commitments to LACMA. Your approval of this amendment will assure that LACMA maintains and enhances a robust program of service to the public.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Since 1994, the Museum Associates has undertaken significant capital expansions, including acquisition of LACMA West, the former May Company department store, for museum use; renovation of the surrounding Hancock Park; and construction of the Broad Contemporary Art Museum, entry pavilion and an underground parking facility. Current plans include complete renovation and occupation of the LACMA West facility, construction of a new exhibitions pavilion and installation of public art in the museum environs by 2010-11.

Programmatic expansion has accompanied the physical growth of LACMA. Acquisition of major art collections from a broad range of cultures and time periods, include the Lewin Collection of Latin American art, the Robert W. Moore Collection of Korean art, the Madina Collection of Islamic art, and the Lazarof Collection of modern masters. The exhibition program has grown in scope and stature, including LACMA-produced exhibitions such as *Made in California*, *The Road to Aztlan*, and *Magritte and Contemporary Art*, along with popular “blockbusters” like 1998’s *Van Gogh*, and the *King Tut* exhibition in 2005.

In 1997, LACMA expanded its operating hours by 12 hours a week, 624 hours a year, to accommodate increased school tours, and by remaining open until 8:00 p.m., to provide a safe, educational environment for working parents and their children to enjoy together. LACMA established the Boone Children’s Gallery in 1998, which includes exhibitions for children and families, along with an art-making workshop and activities; developed two traveling art classrooms, the Ancient World Mobile and Maya Mobile, to extend the museum experience throughout the County; expanded Family Sundays from once a month to every week; and most recently, initiated *Art Programs with the Community*, with LAUSD District #4, which includes a curriculum connecting works of art in LACMA’s collection with the State Content Standards for the visual arts, language arts, and social science at each grade level in anticipation of the County’s new High School for the Arts. NexGen, a free youth membership program, has provided admission to the collections and programs for over 169,000 visitors since its inception in 2004, with over 90,000 currently enrolled.

As a summary of the expansion that will take place by the time LACMA finishes its current transformation plans, the following growth will have occurred compared to 1994-95 when the County/Museum Associates operating agreement was finalized:

- Campus growth: from 7.7 acres to 16.3 acres
- Public space growth: from 143,000 square feet to 271,000 square feet
- Operating budget growth: from \$40 million to \$80 million

In order to adequately reflect the increase in operating cost due to the vigorous growth in facilities and programs, the Museum Associates requests that the County's base funding amount be adjusted by \$2 million annually for the next three years for a total of \$6 million by Fiscal Year 2010-11. As set forth in the 1994 Funding Agreement, the Museum Associates is required to contribute an amount no less than 80 percent of the County's contribution. The Museum Associates has contributed well in excess of 100 percent of the County's contribution every year.

Implementation of Strategic Plan Goals

The recommended action supports Countywide Strategic Plan Fiscal Responsibility (Goal 4), by strengthening the long-time, productive, and cooperative public/private partnership with the Museum Associates. Further, the action supports the County's Children and Families' Well-Being (Goal 5), and Community Services (Goal 6).

FISCAL IMPACT/ FINANCING

In Fiscal Year 2008-09 the County's obligation under the funding agreement will increase by \$2 million to \$23,412,000; funding is included in the Fiscal Year 2008-09 proposed budget. The base funding amount will also be increased by \$2 million in Fiscal Year 2009-10 and 2010-11, for a total increase of \$6 million over the next three years. This is in addition to the annual cost-of-living adjustment provided for in the funding agreement. The Museum Associates is required to match County funding by a minimum of 80 percent.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 9, 1958, your Board approved the original agreement with the Museum Associates for construction, operation, and maintenance of the Los Angeles County Museum of Art.

On February 8, 1994, your Board and the Museum Associates reconfirmed their mutual funding responsibilities under the 99-year agreement. No other provisions of the agreement are changed.

Section 5120 of the Public Resources Code allows your Board to exercise any power necessary and proper to promote the objects and purposes of LACMA.

County Counsel has approved the amendment as to form.

The Honorable Board of Supervisors
May 20, 2008
Page 4

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no negative impact to current services. Approval of the Amendment will ensure affordable, quality cultural experiences and life-long learning opportunities for the community, as well as bolster the Museum Associates' ability to increase its base of private support through enhanced donor and investor confidence.

CONCLUSION

Please return one signed original of Amendment No. 1 to Agreement No. 67326 and one adopted stamped Board letter to the Museum of Art and an adopted copy of Board letter and Amendment to the Chief Executive Office.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:LS
kh

Attachment

c: County Counsel
Director and CEO of Museum of Art
Museum Associates

AMENDMENT NO. 1
to
FUNDING AGREEMENT
for the
LOS ANGELES COUNTY MUSEUM OF ART

This Amendment No. 1 to the Funding Agreement for the Los Angeles County Museum of Art is made and entered into as of May 20th, 2008, by and between the County of Los Angeles (the "County"), a body corporate and politic, and Museum Associates ("Associates"), a nonprofit corporation organized under the laws of the State of California.

W I T N E S S E T H

WHEREAS, the County and Associates entered into a Funding Agreement for the Los Angeles County Museum of Art ("LACMA") dated as of February 8, 1994 (the "Funding Agreement") providing for, among other things, mutual funding obligations based on annual amount certain, subject to a yearly adjustment; and

WHEREAS, since the date of the Funding Agreement, the facilities and programs of LACMA have significantly expanded under the management and direction of Associates; and

WHEREAS, the County and Associates wish to increase the base amount of the County's funding obligation (and, therefore, the amount of Associates' funding contribution) in order to adequately reflect the recent significant expansion and resulting cost increases of managing, operating, and maintaining LACMA;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and Associates hereby agree as follows:

67326
Supplement No. 1

11 MAY 20, 2008


- I. Section 2 is amended to add the following:
- (F)(1) Notwithstanding Section 2(C), above, the County Contribution for the fiscal year 2008-2009 (the “2009 Fiscal Year”) shall be the sum of twenty-three million four hundred and twelve thousand dollars (\$23,412,000).
 - (2) The amount of the County Contribution for the 2009 Fiscal Year shall be subject to upward adjustment for the fiscal year July 1, 2009 – June 30, 2010 (the “2010 Fiscal Year”) in accordance with Section 2(C) of this Agreement. In addition to any such adjustment, the County Contribution for the 2010 Fiscal Year shall be increased by the sum of two million dollars (\$2,000,000).
 - (3) The amount of the County Contribution for the 2010 Fiscal Year shall be subject to upward adjustment for the fiscal year July 1, 2010 – June 30, 2011 (the “2011 Fiscal Year”) in accordance with Section 2(C) of this Agreement. In addition to any such adjustment, the County Contribution for the 2011 Fiscal Year shall be increased by the sum of two million (\$2 million).
 - (4) Beginning in the 2011 Fiscal Year, the Base Year, as defined in Section 2(A) of the Agreement, shall be deemed to refer to the 2011 Fiscal Year, and the Base Year Amount, as defined in Section 2(B) of this Agreement, shall be the amount of the County Contribution for the 2011 Fiscal Year.
 - (5) The Associates Contribution, as defined in Section 2(D) of this Agreement shall reflect any upward adjustments and/or other increases in the County Contribution provided by the County pursuant to this Agreement.
- II. Except as expressly set forth in this Amendment No. 1 to the Funding Agreement, the Funding Agreement shall remain in full force and effect for the term thereof, in accordance with its terms.

IN WITNESS WHEREOF, this Amendment No. 1 to the Funding Agreement has been executed for the parties by their duly authorized officers as of the date first written above.

MUSEUM ASSOCIATES and its Board of Trustees

By: 
President & Chief Operating Officer

COUNTY OF LOS ANGELES

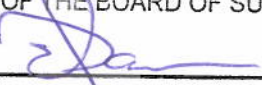
By: 
Chair, Board of Supervisors

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel


By: 

ATTEST: SACHI A. HAMAI
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By: , Deputy

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: 
Deputy



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

11 MAY 20 2008


SACHI A. HAMAI
EXECUTIVE OFFICER

67326

Supplement No. 1

11 MAY 20, 2008